



BRS Leasing Company, Inc.

P. O. Box 349 HOLLIDAYSBURG, PENNSYLVANIA 16648
PHONE (814) 695-5691 TWX 510 691-2537

11203
RECORDATION NO. 11203 Filed 1425

DEC 17 1979 - 3 35 PM

INTERSTATE COMMERCE COMMISSION No. 9-251A087

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Date DEC 17 1979

Fee \$ 100.00

ICC Washington, D. C.

Dear Sir:

We hereby request that the following enclosed documents be recorded pursuant to Section 11303 of the Interstate Commerce Act:

1. Lease Agreement, dated as of July 24, 1979:

Lessor - BRS Leasing Company, Inc.
P.O. Box 349
Hollidaysburg, PA 16648

Lessee - The Nestle Company, Inc.
100 Bloomingdale Road
White Plains, NY 10605

2. Loan Agreement (including grant of security interest in (i) Lease Agreement and (ii) Railroad Cars), dated as of October 12, 1979:

Debtor - BRS Leasing Company, Inc.
P.O. Box 349
Hollidaysburg, PA 16648

Secured Party - First Pennsylvania Bank, N.A.
19th Floor
16th and Market Streets
Philadelphia, PA 19102

General Description of Equipment:

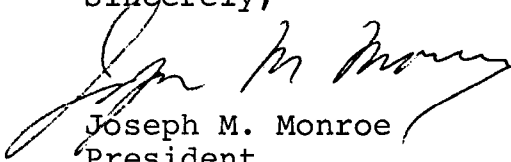
30 insulated Boxcars (50', 70-ton), bearing reporting numbers and marks: BRLX1000 to BRLX1029 (both inclusive), and each being marked: "Ownership subject to a Lease Agreement and Loan Agreement filed under Section 11303 of the Interstate Commerce Act."

A check in the amount of \$100.00 to cover the filing fee is enclosed.

The originals of the documents listed above should
be returned to:

Debra J. Poul, Esquire
Dechert Price & Rhoads
3400 Centre Square West
1500 Market Street
Philadelphia, PA 19102

Sincerely,



Joseph M. Monroe
President

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INTERSTATE COMMERCE COMMISSION

NOTARY PUBLIC CERTIFICATE

The undersigned hereby certifies that (i) attached hereto is a complete copy of the original Loan Agreement dated as of October 12, 1979 between First Pennsylvania Bank, N.A. and BRS Leasing Company, Inc., submitted herewith for filing with the Interstate Commerce Commission, (ii) such copy has been compared by me with such original and (iii) such copy is a true and correct copy in all respects.

Witness my hand and notarial seal.

[SEAL]

Nita Godmilow

Notary Public

My commission expires:

NITA GODMILOW
Notary Public, Phila., Phila. Co.
My Commission Expires Sept. 17, 1983

LOAN AGREEMENT

THIS IS A LOAN AGREEMENT dated as of October 12, 1979 between FIRST PENNSYLVANIA BANK, N.A. ("BANK"), and BRS LEASING COMPANY, INC. ("BRS"), a Delaware corporation.

Intending to be legally bound hereby, BANK and BRS agree as follows:

1. Amount and Terms of Loan.

1.1 Loan. Subject to the provisions of this Agreement, BANK will make a loan ("Loan") to BRS in the principal amount of Five Hundred Twenty-five Thousand Dollars (\$525,000), to be evidenced by a promissory note of BRS in the form attached hereto as Exhibit A ("Note").

1.2 Closing. Unless otherwise agreed, the Loan will be made at the offices of Dechert Price & Rhoads, 3400 Centre Square West, 1500 Market Street, Philadelphia, Pennsylvania on January 31, 1980 ("Closing Date") at 10:00 a.m. ("Closing"). At the Closing, BANK will make the amount of the Loan available to BRS and BRS will deliver the Note, dated the Closing Date, to the BANK.

1.3 Use of Proceeds. BRS will use the proceeds of the Loan to finance the acquisition and refurbishing of used railroad cars.

2. Security Interest.

2.1 Security. In order to secure payment of the Note by BRS, BRS hereby grants a security interest under the Uniform Commercial Code in favor of BANK, without recourse, (i) in the lease dated July 24, 1979 between BRS and Nestle Company, Inc. ("Lease"), a copy of which is attached hereto as Exhibit B, all extensions and renewals thereof, all rights of BRS thereunder, and all proceeds thereof, and (ii) in all railroad cars subject to the Lease ("Railroad Cars"), together with all parts, fittings, accessories, equipment, substitutions therefor, replacements thereof, and all proceeds thereof. In the event of default and in furtherance of such security interest (and not otherwise), BANK hereby irrevocably constitutes and appoints

BANK as attorney-in-fact of BRS, with full power of substitution and revocation, in the name of BRS or otherwise to demand, enforce, collect, receive and receipt and give releases for any payment or indemnity becoming due or arising under the Lease or any policy of insurance relating thereto (including any return of insurance premiums) or with respect to the Railroad Cars, to endorse and collect any checks, drafts or other instruments payable to BRS therefor, to file any claims or institute any proceedings for the foregoing which BANK may deem necessary, and to compromise any such demand, claim or action and to otherwise enforce any rights of BRS under the Lease or such policies of insurance or in respect of the Railroad Cars.

2.2 Release of Security Interests. Upon payment in full of all amounts payable to BANK hereunder and under the Note, the security interests granted hereunder will terminate, and, at the request of BRS, BANK will execute and deliver to BRS such written evidence of such termination, and take such other action, as BRS may reasonably request.

3. Prepayments.

3.1 Optional. BRS may prepay the Note in whole at any time or in part from time to time, without premium or penalty, with accrued interest to the date of such prepayment on the amount prepaid.

3.2 Mandatory. If BRS (i) receives any amount in payment for or as proceeds of a Casualty Car or a Withdrawn Car (as such terms are defined in the Lease) and (ii) does not replace such Casualty Car or Withdrawn Car with a Replacement Car (as defined in the Lease), BRS will prepay the Note in an amount equal to such amount, without premium or penalty, with accrued interest to the date of such prepayment on the amount prepaid.

3.3 Application of Prepayments. Each prepayment made pursuant to §3.1 will be applied to reduce the unpaid installments in inverse order of their maturity, provided that, if preceded by or otherwise made in connection with the termination of the Lease with respect to any Railroad Car for which no Replacement Car (as defined in the Lease) is substituted, such prepayment will be applied in

accordance with prepayments made pursuant to §3.2. Each prepayment made pursuant to §3.2 will be applied to reduce each unpaid installment by an amount which bears the same proportion to the amount of such installment which would have been due absent such prepayment as the amount of such prepayment bears to the unpaid principal balance of the Note outstanding immediately prior to such prepayment.

4. Deposit Account. On the Closing Date, BRS will deposit Eight Thousand Dollars (\$8,000) in an account with the BANK ("Deposit Account"). In the event of the occurrence of the Default described in §8.1.1, BANK may withdraw from the Deposit Account an amount equal to any unpaid interest on the Note then due and payable and such withdrawn amount will be credited against such unpaid interest. Funds in the Deposit Account will bear interest, compounded monthly, on the amount in the Deposit Account, at the maximum lawful interest rate. On the third anniversary of the Closing Date, the BANK will pay to BRS the entire amount then held in the Deposit Account, together with interest as above.

5. Conditions to Loan. The Loan will be made subject to the conditions precedent that:

5.1 Filing. This Agreement and the Lease will have been filed and recorded in accordance with Section 11303 of the Interstate Commerce Act.

5.2 Legal Opinion. BANK will have received from Richard D. Rivers, counsel to BRS, an opinion as to (i) the due incorporation and valid existence of BRS in Delaware, and (ii) the due authorization of this Agreement.

6. Representations and Warranties. BRS represents and warrants that:

6.1 Organization. BRS is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware.

6.2 Railroad Cars. The Railroad Cars have been rebuilt in accordance with the specifications of the American Association of Railroads.

6.3 Title. BRS owns the Railroad Cars free and clear of all mortgages, liens, encumbrances and security interests except the leasehold interest created by the Lease.

6.4 Lease. The Lease is not subject to any mortgage, lien, encumbrance or security interest.

7. Covenants. BRS covenants and agrees that, until the Note is paid in full, except as BANK may otherwise consent in writing:

7.1 Continued Existence. BRS will preserve its corporate existence and all rights and franchises necessary to conduct its business.

7.2 Annual Report. Within 60 days of the last day of each fiscal year, BRS will prepare and send to BANK a certificate, executed on behalf of BRS by a corporate officer, stating (i) the location of each of the Railroad Cars, and (ii) that each of the Railroad Cars is in good condition and repair.

7.3 Preservation of Lease. Without Bank's prior consent, BRS will not grant any consent under the Lease, waive any default thereunder, give any notice thereunder or agree to any release of any obligation of any lessee thereunder or to any modification or termination thereof.

7.4 Markings. Subject to the granting of all necessary consents by carrier or any other approval now or hereafter required by tariff, Interchange Rules or other applicable laws and regulations, BRS will mark the Railroad Cars with the following words: "Title to this Car subject to documents recorded under §11303 of the Interstate Commerce Act."

7.5 Financial Reports. Within 90 days after the close of each of its fiscal years, BRS will furnish to BANK its balance sheet and related income statement for such fiscal year.

7.6 Quarterly Reports. At BANK's request, made prior to the close of any of its first three quarterly fiscal periods, BRS will, within 45 days of the close of each

such period for which a request is made, furnish to BANK a financial statement of BRS for such period.

8. Default and Remedies.

8.1 Events of Default. The occurrence and continuation of any one or more of the following events will constitute a default hereunder ("Default"):

8.1.1 The failure of BRS to pay any amount of principal of or interest on the Note when due, which failure shall continue for at least ten days after written notice thereof from BANK to BRS,

8.1.2 The failure of BRS to perform or observe any other obligation, covenant or agreement contained herein, which failure shall continue for at least 20 days after written notice thereof from BANK to BRS, and

8.1.3 Any representation or warranty made by BRS herein shall be untrue in any material respect.

8.2 Remedy. In the event of Default hereunder, BANK may, by written notice to BRS, declare the entire unpaid principal balance of and accrued interest on the Note immediately due and payable without any demand or other notice, and BANK will have and may exercise any and all of its rights and remedies under the Uniform Commercial Code against the Lease and the Railroad Cars. All costs and expenses of collection, including reasonable attorneys' fees, will be added to and become part of the principal of the Note and will be collectible as part of such principal.

8.3 Non-Recourse. Notwithstanding any other provision hereof, for any claim or recovery upon default of BRS hereunder or in connection herewith or under or in connection with the Note, BANK will have resort solely to the Railroad Cars and the Lease and the rentals and other amounts payable thereunder, and such other collateral as may at any time be held by BANK as security for the obligations of BRS hereunder or under the Note, and BRS will have no personal liability whatsoever hereunder or in connection herewith, or under or in connection with the Note.

9. Miscellaneous.

9.1 Notices. All notices and other communications hereunder will be deemed to have been duly given if delivered or mailed, certified mail, return receipt requested, to the following addresses:

9.1.1 If to BRS:

BRS Leasing Company
P.O. Box 349
Hollidaysburg, PA 16648
Attn: Joseph M. Monroe

9.1.2 If to BANK:

National Department
First Pennsylvania Bank, N.A.
19th Floor
16th and Market Streets
Philadelphia, PA 19101
Attn: Susan R. Hume

9.2 Parties in Interest. This Agreement will bind and inure to the benefit of the parties and their respective successors and assigns.

9.3 Modification. This Agreement may be modified or amended only in a writing executed by the party sought to be bound.

9.4 Governing Law. This Agreement will be governed by Pennsylvania law.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

[Corporate Seal]

Attest:

ant
John A. Davis
Secretary

FIRST PENNSYLVANIA BANK, N.A.

By Susan R. Hume
Commercial Officer

[Corporate Seal]

Attest:

John A. Davis
Secretary

BRS LEASING COMPANY, INC.

By John A. Davis

STATE OF PENNSYLVANIA :

SS:

COUNTY OF PHILADELPHIA :

On this 12th day of October,
19 79, before me personally appeared Dwight Woessner,
to me personally known, who being by me duly sworn, says that
he is the Treasurer of BRS Leasing Company, Inc.,
that the seal affixed to the foregoing instrument is the
corporate seal of said corporation, that said instrument was
signed and sealed on behalf of said corporation by authority
of its Board of Directors, and he acknowledged that the
execution of the foregoing instrument was the free act and
deed of said corporation.

[SEAL]

Gilbert G. Ortale
Notary Public

GILBERT G. ORTALE
Notary Public, Phila., Phila. Co.

My commission expires My Commission Expires Mar. 15, 1982

STATE OF PENNSYLVANIA :

SS:

COUNTY OF PHILADELPHIA :

On this 12th day of October,
19 79, before me personally appeared Susan Hume,
to me personally known, who being by me duly sworn, says that
he is the Commercial Officer of First Pennsylvania Bank,
that the seal affixed to the foregoing instrument is the
corporate seal of said corporation, that said instrument was
signed and sealed on behalf of said corporation by authority
of its Board of Directors, and he acknowledged that the
execution of the foregoing instrument was the free act and
deed of said corporation.

[SEAL]

Robert M. D. [Signature]
Notary Public

My commission expires CILBERT G. OSTALE
Notary Public, Phila. F.W. Co.
My Commission Expires 10-15-1980